

**STATE OF MINNESOTA
COMMISSIONER OF COMMERCE**

In the Matter of
ZAGG Retail, Inc.
a Nevada Corporation

CONSENT ORDER

TO: Randall L. Hales, President
ZAGG Retail, Inc.
3855 South 500 West Suite J
Salt Lake City UT 84115

Commissioner of Commerce Mike Rothman (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has advised ZAGG Retail, Inc., (hereinafter "Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. § 80C.16 (2010) and Minn. Stat. § 45.027 (2010) against Respondent based on allegations that from February 2009 through September 2010 Respondent offered and sold nine (9) unregistered and non-exempt franchises in this state, in violation of Minn. Stat. § 80C.02 (2010).
2. Respondent acknowledges that it has been advised of its rights to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse determination at a hearing, and Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings, or has been advised of its right to be represented by legal counsel, which right it hereby waives.
3. Respondent has applied for registration with the State of Minnesota to sell franchises in Minnesota in compliance with Minn. Stat. ch. 80C (2010).
4. Respondent has agreed to disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2010) and Minn. R. 1400.5900 (2009).

5. The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, that ZAGG Retail, Inc., and its officers, directors, agents, employees, assigns, successors, affiliates, representatives and servants, shall cease and desist from offering or selling in the State of Minnesota, the above or any other franchise, until registration in compliance with Minn. Stat., ch. 80C (2010) has been achieved.

IT IS FURTHER ORDERED, that as a condition of registration, ZAGG Retail, Inc., must offer rescission to all Minnesota residents who purchased a license from Respondent. The rescission offer must be made within 30 days from the date this Order is executed by the Department. Respondent is further required to provide an affidavit to the Department no later than 60 days from the date this Order is executed evidencing that a rescission offer has been made and identify by name and address the person to whom the rescission offer was made and if the rescission offer was accepted.

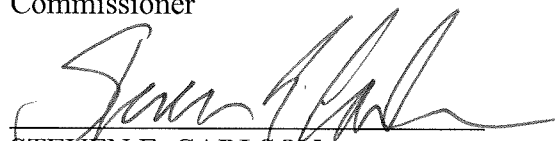
IT IS FURTHER ORDERED, that pursuant to Minn. Stat. § 45.027, subd. 6 (2010) and Minn. Stat. § 80C.16, subd. 2 (2010), Respondent shall pay to the State of Minnesota a civil penalty of \$500.00.

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: September 13, 2012

MIKE ROTHMAN
Commissioner

By:


STEVEN E. CARLSON
Deputy Commissioner

85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101
Telephone: (651) 296-2488

CONSENT TO ENTRY OF ORDER

The undersigned Randall L. Hales, acting on behalf of ZAGG Retail, Inc., states that he has read the foregoing Consent Order; that he knows and fully understands its contents and effect; that he is authorized to execute this Consent to Entry of Order on behalf of ZAGG Retail, Inc., that he has been advised of his right to a hearing; that he has been represented by legal counsel in this matter; or that he has been advised of his right to be represented by legal counsel and that he has waived this right; and that he consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

ZAGG Retail, Inc.

By:

Randall L. Hales
Randall L. Hales

Its:

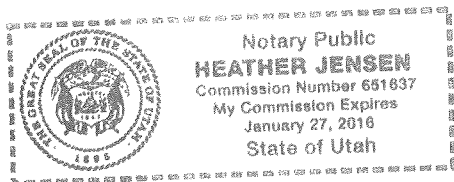
CEO / PRESIDENT

STATE OF Utah

COUNTY OF Salt Lake

This instrument was acknowledged before me on 8/28/12 (date) by Randall L. Hales, President of ZAGG Retail, Inc.

(stamp)



[Signature]
(Signature of notary officer)

My commission expires: 1/27/16